

1 December 2015

## **VisitEngland – A new direction and refreshed growth strategy for the tourism industry**

### **Purpose**

For discussion and direction.

### **Summary**

The Culture, Tourism and Sport Board has highlighted supporting councils to boost economic growth as a priority for this year's work programme. Following the Spending Review, VisitEngland will be supporting the tourism industry to refresh its Growth Strategy. This item is an opportunity to shape early thinking.

Viscountess Penelope Cobham CBE, Chairman of VisitEngland, and James Berresford, Chief Executive of VisitEngland, will attend the Board on 1 December.

### **Recommendation**

Members are invited to discuss the issues highlighted in paragraph 16 with VisitEngland.

### **Action**

Officers to take forward actions in line with Members' steer.

### **Contact officer:**

Laura Caton

### **Position:**

Senior Advisor

### **Phone no:**

020 7664 3154

### **Email:**

[laura.caton@local.gov.uk](mailto:laura.caton@local.gov.uk)

## **VisitEngland – A new direction and refreshed growth strategy for the tourism industry**

### **Background**

1. VisitEngland is the country's national tourist board and a Department for Culture Media and Sport non-departmental executive body. Their role is to grow the value of tourism by working in partnership with the industry to deliver inspirational marketing campaigns and to provide advocacy for the industry and visitors.
2. The LGA has enjoyed a long standing positive partnership with VisitEngland in pursuit of our shared priority of supporting places to grow the visitor economy. Lady Cobham, Chairman of VisitEngland, was also a Commissioner on the Independent Commission on Economic Growth and the Future of Public Services in Non-Metropolitan England, chaired by Sir John Peace. The Commission's final report, published in March 2015, recommended that responsibility for housing, transport, skills, broadband and public services should be devolved to a grass roots level in order to boost growth and tackle skills shortages in non-metropolitan areas. Lady Cobham is also a keynote speaker at the LGA's Annual Culture, Tourism and Sport Conference 24-25 February, Leicester.
3. The visitor economy is one of this country's fastest growing economic sectors. It was worth £60 billion in 2014 - nearly four per cent of the entire economy - and supports almost one in ten jobs. Britain runs a large tourism deficit mainly because the domicile population is much more likely to holiday abroad than other countries. Currently, less than 40 per cent of our total holiday spend goes on domestic tourism, meaning this is an area for significant growth.
4. Unlocking further growth and closing the tourism deficit depends upon destinations offering high quality experiences that will keep people holidaying at home and persuade international visitors to London to extend their stay. It is at the local level that this will largely be achieved. For example, a skilled and reliable workforce that matches the needs of businesses, a breadth of quality accommodation, an attractive public realm, good transport links, reliable broadband connections, effective marketing, proportionate regulation and cultural and other attractions.
5. This paper has been circulated prior to the Spending Review, which will clearly shape the conversation with VisitEngland. Officers will circulate the LGA's 'on the day' briefing to Members ahead of the Board.

### **Policy Update**

6. In March 2015, the previous coalition government published its [Triennial Review](#) of VisitEngland and VisitBritain. The Review concluded that VisitEngland was fit for purpose and that there was a continuing need for an English tourist board. The Review recommended that VisitEngland should focus mainly on supporting the development of high quality tourism products in England. VisitEngland is awaiting news on the proposed product development fund and its core funding as part of the Spending Review.
7. The Review also recommended VisitEngland should manage a challenge fund, supporting partnership working across destination organisations and industry partners in

order to promote the development of a range of world-class English tourism experiences that sit alongside and complement the London, Scottish and Welsh offers. The [Challenge Fund](#) was subsequently launched in March 2015 and 25 projects are benefitting from £2million total funding in 2015/16.

8. In March 2015, the coalition government also announced a small number of regional tourism funds. VisitEngland is administering a £5 million fund to boost tourism in the South West by creating a joined-up strategy for marketing the region as a top holiday destination for international travellers. Northern destinations received £10 million of Government funding to boost tourism and attract international visitors from across the world, including the USA and China.
9. Following the Triennial Review, and halfway through the “Strategic Framework for Tourism 2010-20”, VisitEngland consulted on [Refreshing our Growth Strategy for English Tourism](#). The purpose was to gather feedback on how to reflect the significant economic, political, social and technological changes over the last five years that have impacted upon the visitor economy. The key points from the LGA’s May 2015 response are attached at **Annex A**.
10. In July 2015, the Prime Minister launched a [Five Point Plan for Tourism](#) to spread the economic benefits more fairly across the UK. The Plan covered five issues: the tourism landscape (in particular overcoming fragmentation of funding), skills and jobs, common sense regulation, transport and welcome. A new inter-Ministerial group was also set up to coordinate and align action across government.
11. Since the summer, the policy context has changed further with rapid progress on devolution deals. The LGA’s Spending Review submission highlighted the potential for devolution to boost growth through the visitor economy. Many of the policy levers needed to boost the visitor economy, such as transport, infrastructure, growth funding, skills and broadband, are central to devolution deals. While a number of devolution deals submitted to date have highlighted benefits for tourism, this is not widespread. With greater flexibility over the scope of devolution deals, we expect more places in the medium to long term to consider how the visitor economy might benefit from devolution.
12. For example, Cornwall’s devolution deal includes an aim to engage government, through DCMS, on how to best support tourism in Cornwall. Cumbria’s “High Level Proposition” includes an aim to work with DCMS, VisitBritain and VisitEngland to enable new local funding mechanisms to support destination management and marketing and growth in visitors from emerging markets.
13. The CTS Board work programme highlights that we will work with councils to consider the case for tourism within devolution deals to help boost local growth. To take forward this project, we have recently tendered for a short piece of research that will analyse the added value devolution could bring to visitor economy-led economic growth in England. The key outputs of this work will be an analysis of:
  - 13.1. The elements needed to successfully boost the visitor economy, with a focus on those that could be devolved. For example, skills, transport, growth funds and broadband.

- 13.2. The benefits to the national economy that could accrue from boosting the visitor economy through devolution. For example, the number of additional jobs created and further increasing the contribution of the visitor economy to England's GDP.
- 13.3. Recommendations for both central and local government to maximise the opportunities to boost the visitor economy through devolution deals.
14. We expect to appoint a research consultant this month and to receive the final report in early 2016. This work will feed into the LGA's lobbying of government on devolution and help to raise awareness amongst councils by sharing practical resources on the DevoNext website. We hope that VisitEngland will support and help to shape how we use the outcomes from the research and the Board is an opportunity to secure their support.
15. Most recently, the Chancellor announced that there will be 100 per cent retention of business rates income by local government by the end of the Parliament. Councils will also have the ability to lower the business rate, which could give local areas greater flexibility to attract certain businesses to an area and to re-invest income in local growth sectors and infrastructure, including to support tourism where this is a priority. We are awaiting clarification on exactly how this will operate; for example if it could apply to some sectors or zones only. Officers will update Members on the latest situation at the Board. The Resources Portfolio is leading the LGA's response to the change.
16. The tourism industry, supported by VisitEngland, plans to launch its revised strategy in early 2016, so that it takes account of the Spending Review and the new policy landscape. The Board is an early opportunity to help shape the strategy. Following a steer from Lead Members on 5 November, Members are invited to discuss the following points with Lady Cobham and James Berresford:
  - 16.1. To share our vision for VisitEngland's vital role focusing on destinations, encouraging industry to engage with councils and Local Enterprise Partnerships (LEPs) on growth, championing the visitor economy across government and further developing England's positive brand. We are keen to explore opportunities to further raise the profile of tourism with LEPs, building upon VisitEngland's work in this area.
  - 16.2. To emphasise the significant potential for devolution deals to further boost the visitor economy and to secure VisitEngland's support for our project which will help to build the evidence base and provide practical assistance to councils.
  - 16.3. In the aftermath of another tough Spending Review, to emphasise the importance of spreading the economic benefits from tourism across the whole country, and streamlining growth funding to avoid the costs and inefficiencies of chasing multiple funds.
  - 16.4. To note that the full localisation of business rates could have a significant impact upon councils' ability to support and attract tourism businesses where the visitor economy is a local growth priority.
  - 16.5. To propose a joint leadership event that shares the latest innovative approaches to boosting tourism with visitor economy portfolio holders. We would welcome working with VisitEngland, building upon a similar event a couple of years ago.